
**Rankin County Hospital District
DEPARTMENTAL POLICIES**

DEPARTMENT: Business Office
TITLE: Charity

I. SCOPE:

Charity care represents health care services that are provided but cannot be expected to result in cash flows. Charity care results from a determination of a patient's ability to pay, not their willingness to pay.

II. PURPOSE:

To define charity care, as distinguished from bad debts, and to establish policies and procedures to ensure consistent identification and recording of such.

III. POLICY:

The determination of charity care generally should be made at admission or shortly thereafter; however, events after admission could change the ability to pay making retrospective determination possible. Designation as charity care will only be considered after all other resources have been exhausted. Only the portion of a patient's account that meets the definition is to be recognized as charity care. Patient accounts transactions for charity care must be posted in the month the determination is made to recognize same.

1. Criteria to be considered in determining eligibility as charity care may include; but are not limited to, the following:
 - a. The patient's gross income should be within a pre-established range. Usually, this is the annually published Federal Poverty Guidelines or a function thereof.
 - b. The patient's net worth and liquidity. The patient's employment status and capacity for future earnings.
 - c. Other living expenses and financial obligations.
 - d. The previous exhaustion of all other available resources.
 - e. Catastrophic illnesses where the medical bills exceed the family's gross annual income.
 - f. In some instances Statutory Regulations may dictate types of service to be screened for charity care.
 - g. Charity care will be classified into two categories: Statutory and Non-Statutory.

IV. PROCEDURE:

Statutory and Non-Statutory Charity Care will be identified at admission or in-house by the facility Business Office Personnel. Discharged accounts assigned to Third Party Qualifiers or Collection Agencies that may qualify for charity care will be identified by same and returned to the facility for determination by the hospital.

All A/R patient accounts qualifying for charity care will be adjusted to the charity care adjustment code and all appropriate documentation retained for possible retrospective audit including charity care applications, appropriate back-up documentation, and determinations.

Employees/representatives of Rankin County Hospital District or any contracted outside vendors will not, at any time, represent or otherwise suggest to the patient, that he/she will be relieved of the debt by way of a write-off to charity care.

Statutory Charity Care

Statutory charity care will be defined by facility participation in various federal, state, and/or county indigent care programs. Criteria must comply with governmental guidelines and/or state or county regulations and as defined in Rankin County Hospital District Charity Care Program Policy and Procedures. Also qualifying, as Statutory Charity Care would be charity care obligations as defined under certain facility purchase agreements and CON's for types of service.

Each patient who appears eligible for Statutory Charity Care determination and who requests such determination must complete a Confidential Financial Statement and provide supporting documentation as requested and necessary to verify the patient's financial condition in accordance with the Rankin County Hospital District Charity Care Program Policy and Procedures as defined within this policy.

NON-STATUTORY CHARITY CARE

Non-Statutory Charity Care is defined as patient charity care meeting the general charity care criteria; however, there may not be state or county programs in which the facility participates or where the facility does not have specific obligations to provide charity care. The facility Business Office Personnel will determine eligibility for Non-Statutory Charity Care. This will be done by application and completion to the charity care eligibility determination worksheet as applicable and submitted for processing and recording for those accounts. An effort will be made to secure a signed application, but this may not be possible in all cases. The determination of Non-Statutory charity care will be made at admission or while the patient is in-house; however, this determination could also be made after discharge.

DOCUMENTATION REQUIREMENTS FOR CHARITY CARE

Application

In order to qualify for charity care, Rankin County Hospital District requires the completion of the Financial Assistance Application. The Financial Assistance Application allows for the collection of information and the income and documentation requirements defined below. During the process while the hospital is pending information and or documentation, the patient should be treated as a Self-Pay, in accordance with Rankin County Hospital District policies.

FAMILY MEMBERS: The hospital will require patient/guarantor to provide the number of family members in their household

- **ADULTS:** In calculating the number of family members in an adult patient's household, include the patient, the patient's spouse and all dependents.
- **MINORS:** In calculating the number of family members in a minor patient's household, include the patients, the patient's mother, and dependents of the patient's mother and the patient's father.

INCOME CALCULATION:

- **ADULTS:** The term "yearly income" on the Financial Assistance application means the sum of the total yearly gross income of the patient and patient's spouse.
- **MINORS:** If the patient is a minor, the term "yearly income" on the Financial Assistance Application means income from the patient, the patient's mother and the patient's father.

Income Verification:

The hospital will require patients to verify the income set forth in the Financial Assistance Application in accordance with the documentation requirements identified below in cases where documentation is available. Any of the following documents is appropriate for verifying income.

- **INCOME DOCUMENTATION:** Income documentation may include IRS W-2's, Wage and Earnings Statement, Paycheck Stub, Tax returns, telephone verification by employer of the patient's income, bank statements, or other appropriate indicators of income.
- **PARTICIPATION IN A PUBLIC BENEFIT PROGRAM:** Public benefit program documentation showing current participation such as Social Security, Workers' Compensation, or Unemployment Insurance Benefits, Medicaid, County Indigent Health, or other similar indigence related programs.
- **ASSETS:**
 - All liquid assets should be considered as a possible source of repayment for services rendered. For patients with no source of regular income, (employment, SSI, Disability, etc...) other than liquid assets, those assets would be the patient's income source and should be measured against the Federal Poverty guidelines.

- All other assets, (ie...real estate property), should be considered as a possible source of repayment for services rendered. These specific patient accounts may be referred to an agency as a bad debt for further follow-up and resolution. The Agency may cancel the account back as charity care, after an asset review and appropriate collection activity has occurred.

On a case-by-case basis, it may be appropriate to reduce the patient's balance equal to their liquid assets. Thereby, determining partial charity care. In the instance where partial charity is determined, the remaining balance will be billed to the patient and normal Rankin County Hospital District protocols are applicable.

Documentation Unavailable

In cases where the patient is unable to provide documentation verifying income, the hospital may verify the patient's income by providing an explanation of why the patient is unable to provide the documentation verifying income.

- **OBTAIN PATIENT'S WRITTEN ATTESTATION:** By having the patient sign the FA attesting to the accuracy of the income information provided; or
- **OBTAIN PATIENT'S VERBAL ATTESTATION:** Through the written attestation of the hospital personnel completing the FAA that the patient verbally verified the hospital's calculation of income. In all cases, the hospital must document at least two attempts to obtain the appropriate income verification.
- **EXPIRED PATIENTS:** Expired patients may be deemed to have no income for purposes of the hospital's calculation of income. Although no documentation of income is required for expired patients, hospitals/agencies ensure that a charity care adjustment is appropriate and the hospital/agency will need to complete a complete asset verification process.

Verification Procedure

In determining a patient's total income, hospitals may consider other financial assets and liabilities of the patient as well as the patient's family income and the ability to pay. If a determination is made that the patient has the ability to pay the remainder of the bill, such determination does not preclude a re-assessment of the patient's ability to pay upon presentation of additional documentation.

Classification Pending Income Verification

During the verification process, while the hospital is collecting the information necessary to determine a patient's income, the patient should be treated as a self-pay patient in accordance with the hospital's policies.

Uncooperative Patients

Uncooperative patients are deemed to be unwilling to disclose any financial information as requested for charity care determination. In these cases, the patient will be advised that unless they comply and provide the information, no further consideration will be given for charity care processing.

Information Falsification

Falsification of information will result in denial of the FAA. If, after a patient is granted financial assistance, the hospital finds material provision(s) of the FAA to be untrue, charity care status may be revoked and the patient's account will be forwarded to the hospital's collection agency.

Custodian Of Records

The Business Office Director will serve as the custodian of records for all charity care documentation for all accounts identified for charity care.

Reservation Of Rights

It is the policy of Rankin County Hospital District to reserve the right to limit or deny financial assistance at their sole discretion.

Non-Covered Services

It is the policy of Rankin County Hospital District to reserve the right to designate certain services that are not subject to the Hospital's Charity Care Policy.

No Effect On Other Hospital Policies

This policy shall not alter or modify other Rankin County Hospital District policies regarding efforts to obtain payments from third party payer, patient transfers, or emergency care or state specific regulations or programs for uncompensated care.

ADDITIONAL ITEMS TO ACCOMPANY P & P

-CHARITY REFERRAL LOG	PATIENT NAME	ACCOUNT#	ADMIT DATE	DISCHARGE DATE
TOTAL CHG'S	DATE REFERRED ACTION			

-FINANCIAL ASSISTANCE APPLICATION